



# भारत का याजपत्र

## The Gazette of India

असाधारण

### EXTRAORDINARY

भाग II — खण्ड 2

PART II — Section 2

प्राधिकार से प्रकाशित

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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।  
Separate paging is given to this Part in order that it may be filed as a separate compilation.

### LOK SABHA

The following Bill were introduced in Lok Sabha on 17th December, 2009:—

#### BILL NO. 129 OF 2009

*A Bill to consolidate the laws relating to coinage and the Mints, the protection of coinage and to provide for the prohibition of melting or destruction of coins and prohibit the making or the possession thereof for issue and for matters connected therewith or incidental thereto.*

BE it enacted by Parliament in the Sixtieth Year of the Republic of India as follows:—

#### CHAPTER I

#### PRELIMINARY

1. (1) This Act may be called the Coinage Act, 2009.

Short title,  
extent and  
commencement.

(2) It extends to the whole of India.

(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. In this Act, unless the context otherwise requires,—

Definitions.

(a) "coin" means any coin which is made of any metal stamped by the Government or any other authority empowered by the Government in this behalf and which is a legal tender including commemorative coin but does not include various types of credit card or e-money issued by any bank or financial institution from time to time;

(b) "commemorative coin" means any coin stamped by the Government or any other authority empowered by the Government in this behalf to commemorate any specific occasion or event and expressed in Indian currency;

(c) "deface" means any type of clipping, filing, stamping, or such other alteration of the surface or shape of a coin as is readily distinguishable from the effects of reasonable wear;

(d) "Government" means the Central Government;

(e) "issue" means to put a piece of metal into circulation for use as money;

(f) "metal" means any metal, base metal, alloy, gold, silver or any other metal which may be prescribed by the Government for the purpose of any coin;

(g) "Mint" means any organisation established by or under the authority of the Government to make a coin by stamping metal;

(h) "notification" means notification published in the Official Gazette;

(i) "per cent." means the percentage of metals prescribed for any coin;

(j) "prescribed" means prescribed by rules made under this Act;

(k) "remedy" means variation from the standard weight and fineness;

(l) "standard weight" means the weight prescribed for any coin.

## CHAPTER II

### ESTABLISHMENT OF MINTS

Power to establish and abolish Mints.

#### 3. The Government may, by notification,—

(a) establish a Mint at any place which may be managed by the Government of India in the Ministry of Finance, Department of Economic Affairs or by any other person, which may be authorised for this purpose:

Provided that the Mints established before the commencement of this Act shall be deemed to have been established by the Government under this section:

Provided further that where the Government is of the opinion that it is necessary or expedient in the public interest so to do, it may authorise the minting of coins by any organisation or Government of any foreign country, within or beyond the limits of India and acquire such coins either by way of import or otherwise for issue under its authority;

(b) abolish any Mint.

## CHAPTER III

### COINAGE

Denominations, dimensions, designs and composition of coins.

4. Coins may be minted at the Mints or at any other place authorised under the proviso to section 3 of such denominations not higher than one thousand rupees and of such dimensions and designs and containing such metals or mixed metals of such compositions as may be prescribed by the Government.

Standard weight and remedy.

5. The standard weight of the coin of any denomination, minted under the provisions of section 4, and the remedy allowed in making of such coins, shall be such as may be prescribed in this behalf by the Government from time to time.

Coin when a legal tender

6. (1) The coins issued under the authority of section 4 shall be a legal tender in payment or on account, in case of—

(a) a coin of any denomination not lower than one rupee, for any sum;

- (b) a half-rupee coin, for any sum not exceeding ten rupees;
- (c) any other coin, for any sum not exceeding one rupee:

Provided that the coin has not been defaced and has not lost weight so as to be less than such weight as may be prescribed in its case.

3 of 1906.

(2) All silver coins issued under the Coinage Act, 1906 after the 10th day of March, 1940 shall continue as before to be a legal tender in payment or on account, in case of—

- (a) a rupee coin, for any sum;
- (b) a half-rupee coin, for any sum not exceeding ten rupees;
- (c) a quarter-rupee, for any sum not exceeding one rupee:

Provided that the coin has not been defaced and has not lost weight so as to be less than—

- (i) 176.4 grains Troy in the case of a rupee coin, or
- (ii) 88.2 grains Troy in the case of a half-rupee coin, or
- (iii) such weight as may be prescribed in the case of a quarter-rupee coin.

3 of 1906.

(3) All nickel, copper and bronze coins which may have been issued under the Coinage Act, 1906 before the 24th day of January, 1942 shall continue as before to be a legal tender in payment or on account for any sum not exceeding one rupee.

17 of 1964.

(4) All new coins in the naya paisa series, designated as such under the notification of the Government of India in the Ministry of Finance, Department of Economic Affairs, Number S.R.O. 1120, dated the 11th May, 1956 issued prior to the commencement of the Indian Coianage (Amendment) Act, 1964, shall continue to be a legal tender in payment or on account, in case of,—

- (a) a half-rupee or fifty naye paisa coin, for any sum not exceeding ten rupees;
- (b) any other coin, for any sum not exceeding one rupee.

7. (1) The rupee shall be divided into one hundred units and any such unit may be designated by the Government, by notification, under such name as it thinks fit.

Decimal system of coinage.

(2) All references in any enactment or in any notification, rule or order made under any enactment or in any contract, deed or other instrument to any value expressed in annas, paisa and pies shall be construed as references to that value expressed in units referred to in sub-section (1) converted thereto at the rate of sixteen anna, sixty-four paisa or one hundred and ninety-two pies to one hundred units referred to in sub-section (1).

(3) All references in any enactment or in any notification, rule or order under any enactment or in any contract, deed or other instrument to any value in naya paisa or naye paisa shall be construed as references to that value expressed respectively in units referred to in sub-section (1).

8. Notwithstanding anything contained in section 6, the Government may, by notification, call in with effect from such date as may be specified in the notification, any coin, of whatever date or denomination and on and from the date so specified, such coin shall cease to be a legal tender, save to such extent as may be specified in the notification.

Power to call in coin.

## CHAPTER IV

### DIMINISHED, DEFACED AND COUNTERFEIT COINS

9. (1) Where any coin which has been minted and issued by or under the authority of the Government is tendered to any person authorised by it to act under this section, and

Power to certain persons to cut diminished or defaced coins.

such person has reason to believe that the coin—

(a) has been diminished in weight so as to be more than such per cent. below standard weight as provided in section 5; or

(b) has been defaced,

he shall, by himself or through another person, cut or break the coin.

(2) A person cutting or breaking coin under the provisions of clause (a) of sub-section (1) shall receive and pay for the coin at its face value.

(3) A person cutting or breaking coin under the provisions of clause (b) of sub-section (1) shall observe the following procedure, namely:—

(a) if such person has reason to believe that the coin has been fraudulently defaced, he shall return the pieces to the person tendering the coin, who shall bear the loss caused by such cutting or breaking;

(b) if such person has reason to believe, that the coin has not been fraudulently defaced, he shall receive and pay for the coin at its face value.

*Explanation.*—For the purposes of this section a coin which, there is reason to believe, has been defaced by sweating shall be deemed to have been fraudulently defaced.

Power to certain persons to cut counterfeit coins.

10. Where any coin minted or issued by or under the authority of the Government is tendered to any person authorised by the Government under section 9 and such person has reason to believe that the coin is counterfeit, he shall by himself or through another person cut or break the coin, and the tenderer shall bear the loss caused by such cutting or breaking.

Power of Mint to delegate its functions.

11. Any officer of the Mint duly empowered by the Government may in writing authorise any other organisation of the Government to melt withdrawn coins or take any help of such organisation for the said purpose.

*Explanation.*—For the purposes of this section “organisation” means any Government industrial unit or public sector undertaking possessing melting facilities.

## CHAPTER V

### OFFENCES AND PENALTIES

Prohibition of making or melting or destruction of coins.

12. (1) No person shall—

(i) use any metal piece as coin whether stamped or unstamped, intended to be used as money except by the authority of the Government, or

(ii) melt or destroy any coin, or

(iii) use coin other than as a medium of exchange, or

(iv) have in his possession, custody or control,—

(a) any melted coin, whether in the molten state or in a solid state, or

(b) any coin in a destroyed or mutilated state, or

(c) coins substantially in excess of his reasonable requirements for the purpose of selling such coins for value other than their face value or for melting or for destroying or for disposing these coins other than as a medium of exchange.

*Explanation.*—For the purposes of determining the reasonable requirements of coins of a person, due regard shall be had to—

(i) his total daily requirements of coins;

(ii) the nature of his business, occupation or profession;

(iii) the mode of his acquisition of coins; and

(iv) the manner in which, and the place at which, such coins are being possessed, held or controlled by him.

(2) Whoever is found to be in possession of any metal or material which contains alloys in the same proportions in which they have been used in the manufacture of any coin shall be presumed, until the contrary is proved, to have contravened the provisions of sub-section (1).

(3) Nothing in this section shall apply—

(i) to any person who is found in possession of any metal or scraps or scissel, etc., of non-recyclable coinage metal, which he may so possess as a result of valid disposal by auctions by a Mint;

(ii) to the Mint, Reserve Bank of India and its authorised agents, and suppliers of coins or coin blanks to the extent of orders placed by or under the authority of the Government until their supply or completion of orders placed by the Government;

(iii) to any prospective supplier who intends to supply coin or coin blanks as samples against a valid tender documents purchased by him provided that quantity is in reasonable agreement with quantity of samples to be supplied.

13. Whoever contravenes any provisions of section 12 shall be punishable with imprisonment which may extend to seven years and with fine.

Penalty for contravention of section 12.

14. (1) No person shall—

(a) make or issue or attempt to issue any metal piece except as provided under section 4 for the purpose of coin;

(b) possess, custody or control of any metal piece with the intent to issue the piece for use as money for a medium of exchange.

(2) Whoever contravenes the provisions of sub-section (1) shall be punishable with imprisonment which may extend to one year or with fine or with both:

Provided that if any person convicted under this section is again convicted, he shall be punishable with imprisonment which may extend to three years or with fine or with both.

15. (1) No person shall bring by sea or by land or by air into India of any piece of metal to be used as coin except with the authority or permission of the Government.

(2) Whoever contravenes the provisions of sub-section (1) shall be punishable with imprisonment which may extend to seven years and with fine.

Prohibition and penalty for bringing metal piece for use as coin.

16. (1) Where an offence under this Act has been committed by a company, every person who at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of its business, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any person liable to any punishment, if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

Offences by companies.

(2) Notwithstanding, anything contained in sub-section (1), where any offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to, any neglect on the part of any director, manager, secretary or other officer, such director, manager, secretary or other officer of the company shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

*Explanation.*—For the purposes of this section,—

(a) “company” means any body corporate and includes a firm, society or other association of individuals; and

(b) “director”, in relation to —

(i) a firm, means a partner or proprietor of the firm;

(ii) a society or other association of individuals, means the person who is entrusted, under the rules of the society or other association, with the management of the affairs of the society or other association of the individuals, as the case may be.

CHAPTER VI  
MISCELLANEOUS

Forfeiture.

**17.** Any coin or metal in relation to which any offence under this Act has been committed shall be forfeited to the Government.

Probation  
of Offenders  
Act, 1958  
not to apply  
to offences  
under this Act

**18.** Nothing in the Probation of Offenders Act, 1958 shall apply to offences under this Act. 20 of 1958.

Offences to  
be cognizable,  
bailable and  
non-  
compoundable.

**19.** Notwithstanding anything contained in the Code of Criminal Procedure, 1973, offences under this Act shall be cognizable and bailable, but shall not be compoundable. 2 of 1974.

Amendment  
of Act 2 of  
1934.

**20.** In the Reserve Bank of India Act, 1934,—

(i) in section 2, in clause (d), for the words and figures “the Indian Coinage Act, 1906”, the words and figures “the Coinage Act, 2009” shall be substituted. 3 of 1906.

(ii) in section 39, for the words and figures “the Indian Coinage Act, 1906”, at both the places where they occur, the words and figures “the Coinage Act, 2009” shall be substituted. 3 of 1906.

Offences may  
be tried  
summarily.

**21.** Notwithstanding anything contained in section 260 of the Code of Criminal Procedure, 1973, offences under this Act may be tried summarily by a Judicial Magistrate of the first class or a Metropolitan Magistrate. 2 of 1974.

Protection of  
action taken  
in good faith

**22.** No suit or other legal proceedings shall lie against any person in respect of anything which is in good faith done, or intended to be done, under or in pursuance of the provisions of this Act.

Power to  
remove  
difficulties.

**23.** (1) If any difficulty arises in giving effect to the provisions of this Act, the Government may, by order published in the Official Gazette, make such provisions, not inconsistent with the provisions of this Act as may appear it to be necessary or expedient for removing the difficulty:

Provided that no such order shall be made under this section after the expiry of two years from the commencement of this Act.

(2) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament.

Power to  
make rules.

**24.** (1) The Government may, by notification, make rules to carry out the purposes of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the use of metal for the purpose of making any coin under clause (f) of section 2;

(b) the per cent. of metals for any coin under clause (i) of section 2;

(c) the standard weight for any coin under clause (l) of section 2;

(d) the dimensions, designs, metals, mixed metals or their composition, for coins under section 4;

(e) the standard weight of coins and the remedy allowed in making such coins under section 5;

(f) the coin of any denomination which has not been defaced and has not lost weight as to be less than such weight issued under section 6.

**25.** Every rule made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

Rules to be laid before Parliament.

**26.** Nothing in this Act shall be deemed to prohibit or restrict the making at any Mint in India of coins intended for issue as money by the foreign Government of any territories beyond the limits of India.

Saving of making other coins at Mints.

**27. (1)** The following enactments are hereby repealed—

Repeal and savings.

1 of 1889. (a) the Metal Tokens Act, 1889;

3 of 1906. (b) the Coinage Act, 1906;

22 of 1918. (c) the Bronze Coin (Legal Tender) Act, 1918;

52 of 1971. (d) the Small Coins (Offences) Act, 1971.

**(2)** The repeal by this Act of the enactments specified in sub-section (1) shall not—

(a) affect any other enactment in which the repealed enactment has been applied, incorporated or referred to;

(b) affect the validity, invalidity, effect or consequences of anything already done or suffered, or any right, title, obligation or liability already acquired, accrued or incurred or any remedy or proceeding in respect thereof, or any release or discharge of or from any debt, penalty, obligation, liability, claim or demand, or any indemnity already granted, or the proof of any past act or thing;

(c) affect any principle or rule of law, or established jurisdiction, form or course of pleading, practice or procedure, or existing usage, custom, privilege, restriction, exemption, office or appointment, notwithstanding that the same respectively may have been in any manner affirmed or recognised or derived by, in or from any enactment hereby repealed;

(d) revive or restore any jurisdiction, office, custom, liability, right, title, privilege, restriction, exemption, usage, practice, procedure or other matter or thing not now existing or in force.

**(3)** The mention of particular matters in sub-section (1) shall not be held to prejudice or affect the general application of section 6 of the General Clauses Act, 1897, with regard to the effect of repeals.

**28.** Notwithstanding the repeal of the enactments specified in section 27, all coins which were issued as legal tender under the said enactments immediately preceding the date on which the Coinage Act, 2009 receives the assent of the President shall continue to be legal tender in payment or on account.

Continuance of existing coins.

## STATEMENT OF OBJECTS AND REASONS

The Coinage Act, 1906 provides for applicability, denomination, dimension, design and composition of coins, standard weight of coins and the limit up to which the coin is a legal tender. It empowers the Central Government to establish and abolish Mints and to call in coins and also power to certain persons to cut diminished or counterfeit or defaced coins and also provides for the procedure in regard to cut coins or coins liable to be cut. The Act also includes saving provision for making of other coins for issue as money by the Government of other territory beyond the limits of India. It also includes a temporary provision with respect to certain Hyderabad coins which should be continued as a legal tender in that State as it used to be before the commencement of this Act.

In order to take care of acute shortage of small coins in the country, the Small Coins (Offences) Act, 1971 was enacted to take steps to avoid such shortages in the interest of the general public. It provides for prevention of melting or destruction of small coins or hoarding of small coins for the purpose of melting and destruction and provides punishment for melting and destruction of coins.

In order to prohibit the making or the possession for issue or the issue by private person of pieces of metal for use as money, the Metal Tokens Act, 1889 was enacted to prohibit the Railways administration and the local authorities to receive or introduce any piece of metal token as money. It provides for penalty for unlawful making, issue or possession of such metal token. It empowers the Central Government to restrict the import of such piece of metals as may be used as money. Further, the Bronze Coin (Legal Tender) Act, 1918 was enacted to provide that where bronze coins of any of the denominations specified in section 8 of the Coinage Act, 1906 are coined outside Part A and Part B States at the request of the Central Government and if it is satisfied that such coins are in accordance with the requirements of section 9 and of any notification for the time being in force under section 10, it may, by notification in the Official Gazette, direct the issue of any such coins, and thereafter any such coins shall be legal tender in payment or on account in the same way and to the same extent as if they were coins referred to in section 10, and the provisions shall apply accordingly.

2. The then Minister of Finance, in the Budget Speech of 1993, announced setting up of a special review group in every Ministry or Department to review the existing laws and procedures and identify changes needed in the light of the new policies. The Group constituted in the Department of Economic Affairs and subsequently another Expert Group constituted by the Cabinet Secretariat in 1997, and, thereafter, a Commission constituted to review administrative laws in 1998 recommended the amalgamation of the Coinage Act, 1906, the Metal Tokens Act, 1889 and the Small Coins (Offences) Act, 1971 in one comprehensive Act. The Law Commission in its 159th Report on Repeal and Amendments of Laws had also recommended for consolidation of the above Acts. Later on, it was felt that the Bronze Coin (Legal Tender) Act, 1918 may also be repealed, having become obsolete as bronze coins have been removed from circulation many years back.

3. In the meantime, the management of all the India Government Mints was transferred to a Corporation, namely, the Security Printing and Minting Corporation of India Limited which was formed in 2006 after consideration and approval of the Cabinet in its meeting held on 23-08-2005 to reorganise Mints as per their operational requirements and this development has been factored in while preparing the Coinage Bill, 2009.

4. The salient features of the Bill, *inter alia*, are as follows:—

(i) it provides for amalgamation of four Acts, namely, the Metal Tokens Act, 1889, the Coinage Act, 1906, the Bronze Coin (Legal Tender) Act, 1918 and the Small Coins (Offences) Act, 1971 into one Act;

(ii) it provides for punishment with imprisonment which may extend to seven years and with fine if a person is found to be making or melting or destructing the coins and for deletion of the provisions of above mentioned four Acts which have since become redundant;

(iii) it repeals the four aforesaid Acts which have since become obsolete.

5. The Bill seeks to achieve the above objectives.

PRANAB MUKHERJEE.

NEW DELHI;  
*The 17th September, 2009.*

*Notes on clauses*

*Clause 1* of the Bill provides for short title, extent and commencement.

*Clause 2* of the Bill provides for definitions of the terms used in the Bill.

*Clause 3* of the Bill empowers the Government to establish and abolish Mints and also provides that the Mints may be managed by other persons authorised in this behalf by the Central Government. It further provides that the Mints established before the commencement of this Act shall be deemed to have been established by the Government.

*Clause 4* of the Bill provides for denominations, dimensions, designs and composition of the coins as may be prescribed by the Government. However, such denomination shall not be higher than one thousand rupees.

*Clause 5* provides for standard weight of any coin for minting under clause 4 and empowers the Government to prescribe the remedy allowed in making such coins from time to time.

*Clause 6* of the Bill provides for the sum for which certain specified coins will be a legal tender and the silver coins issued under the Coinage Act, 1906 (3 of 1906), after the 10th day of March, 1940, and all nickel, copper and bronze coins which may have been issued before the 24th day of January, 1942, shall continue as before to be a legal tender.

*Clause 7* of the Bill provides for the decimal system of coinage and provides that a rupee shall be divided into one hundred units and empowers the Government to designate any such units by notification, under such name as it thinks fit.

*Clause 8* of the Bill empowers the Government to call in any coin of any date or denomination from a specified date from which the said coin shall cease to be legal tender, however, save to the extent as may be specified in the notification.

*Clause 9* of the Bill empowers certain persons to cut diminished or to deface coins which have been diminished in weight by such per cent. below the provided standard weight. It also provides for payment of face value of the coin when there is reason to believe that the coin has not been defaced fraudulently. The person cutting or breaking the coin has to observe the procedure as specified.

*Clause 10* of the Bill empowers certain persons to cut or break the counterfeit coins where they have reasons to believe that coins are counterfeit.

*Clause 11* of the Bill empowers a Mint to delegate its functions to any organisation of the Government with regard to melting of the withdrawn coins.

*Clause 12* of the Bill provides for prohibition of making or melting or destruction of coins or having possession, custody or control of melted coins or coins in mutilated or destroyed state. It also prohibits possession of coins by any person in excess of reasonable daily requirement of the coins for carrying out his business, occupation or profession. But this provision does not apply to Mint, Reserve Bank of India or any person having possession of coins as a result of valid auction by a Mint.

*Clause 13* of the Bill provides for penalty of imprisonment and fine for contravention of clause 12.

*Clause 14* of the Bill provides for the prohibition of unlawful making, issue or possession, custody or control of pieces of any metal to be used as money and also punishment for contravention of this provision with imprisonment up to one year or fine or with both.

*Clause 15* of the Bill provides for the prohibition for bringing a metal piece for use as coin into India without the permission of Government by sea, land or air and punishment for its contravention.

*Clause 16* of the Bill provides that every person who at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of its business, shall be deemed to be guilty of that offence.

*Clause 17* of the Bill provides for the forfeiture of any coin or metal in relation to which any offence under this Act has been committed.

*Clause 18* of the Bill provides that the Probation of Offenders Act, 1958 (20 of 1958) shall not apply to offences under this Act.

*Clause 19* of the Bill provides for the offences to be cognizable, bailable and non-compoundable.

*Clause 20* of the Bill provides for the consequential amendment in the Reserve Bank of India Act, 1934 (2 of 1934) in respect of references of the Indian Coinage Act, 1906 occurring therein.

*Clause 21* of the Bill provides that notwithstanding the provisions of section 260 of the Code of Criminal Procedure, 1973 (2 of 1974), the offences are to be tried summarily by a Judicial Magistrate of the first class or a Metropolitan Magistrate.

*Clause 22* of the Bill provides for protection of action taken in good faith in pursuance of the provisions of this Bill.

*Clause 23* of the Bill empowers the Government to make provision by order published in the Official Gazette, to remove difficulties which may arise in giving effect to the provisions of this Bill. However, such order shall not be made after the expiry of two years from the commencement of this Act.

*Clause 24* of the Bill empowers the Government to make rules to carry out the provisions of the proposed legislation.

*Clause 25* of the Bill provides for laying of the rules made under this Act before each House of Parliament.

*Clause 26* of the Bill enables the Mints to make coins intended for the issue as money by foreign Government beyond the limits of India.

*Clause 27* of the Bill provides for repeal of the Metal Tokens Act, 1889 (1 of 1889), the Coinage Act, 1906 (3 of 2006), the Bronze Coin (Legal Tender) Act, 1918 (22 of 1918) and the Small Coins (Offences) Act, 1971 (52 of 1971) and also provides that repeal of these enactments is not to affect the validity, invalidity, effect or consequences of anything done or suffered, any right acquired, accrued or liability incurred, etc., from the enactments repealed.

*Clause 28* of the Bill provides for continuance of existing coins as legal tender in payment or on account.

## FINANCIAL MEMORANDUM

Clause 3 of the Bill provides for establishment of Mint at any place which may be managed by the Government of India in the Ministry of Finance, Department of Economic Affairs or by any other person which may be authorised for this purpose. However, the Mints established before the commencement of this Act shall be deemed to have been established by the Government under this clause.

2. Clause 3 also provides for abolition of any Mint by the Government of India. However, in public interest, it also provides for minting of coins by any organisation or Government of any foreign country for acquiring such coins.

3. The provisions of the Bill do not involve any other expenditure of recurring or non-recurring nature.

### MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 4 of the Bill empowers the Government to prescribe the dimensions and design of coins containing such metal or mixed metals which may be minted at the Mints or any other place authorised under the proviso to clause 3.

Clause 5 of the Bill empowers the Government to prescribe the standard weight of the coin of any denomination which may be minted under the provisions of clause 4.

Clause 7 of the Bill empowers the Government to designate by notification in the Official Gazette any unit of a rupee under such name as it thinks fit.

Clause 8 of the Bill empowers the Government to call in with effect from such date as may be specified in the notification in the Official Gazette any coin of whatever date or denomination to cease to be a legal tender from such date.

Clause 23 of the Bill empowers the Government to pass an order published in the Official Gazette to remove the difficulty arising in giving effect to the provisions of this Act.

Clause 24 of the Bill empowers the Government to make rules, by notification in the Official Gazette, to carry out the purposes of this Act.

Clause 25 of the Bill provides that every rule made under this Act shall be laid before each House of Parliament.

The matters in respect of which notification may be issued or rules to be made under the aforesaid provisions pertain to procedure or administrative detail and it is not practicable to provide for them in the Bill itself, the delegation of legislative power is, therefore, of a normal character.

## BILL NO. 140 OF 2009

*A Bill further to amend the Salaries and Allowances of Ministers Act, 1952.*

BE it enacted by Parliament in the Sixtieth Year of the Republic of India as follows:—

1. (1) This Act may be called the Salaries and Allowances of Ministers (Amendment) Act, 2009.

Short title and commencement.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. In section 6 of the Salaries and Allowances of Ministers Act, 1952, for sub-section (1A), the following sub-section shall be substituted, namely:—

“(1A) A Minister shall be entitled to an amount equal to the fare for a single journey performed by him, during each year, within India, either alone or along with spouse or legitimate or step children, residing with and wholly dependent on him, or any number of companions or relatives, at the same rates at which travelling allowance is payable to such Minister under clause (b) of sub-section (1) in respect of tours referred to in that clause, subject to a maximum of forty-eight such fares per year:

Amendment of section 6 of Act 58 of 1952.

Provided that the spouse or legitimate or step children residing with and wholly dependent on the Minister, as the case may be, may undertake such journey alone.”.

## STATEMENT OF OBJECTS AND REASONS

Under sub-section (1A) of section 6 of the Salaries and Allowances of Ministers Act, 1952, a Minister is entitled (subject to certain provisions of the said Act) to travelling allowance in respect of not more than twelve return journeys performed, during each year, within India, for himself and his family, whether travelling together or separately, subject to the overall entitlement of forty-eight single journeys in each year. Under sub-section (2) of section 5 of the Salary, Allowances and Pension of Members of Parliament Act, 1954, a Member of Parliament is entitled (subject to certain provisions of the said Act) to an amount equal to the fare by air for each single journey performed by him either alone or along with spouse or any number of companions or relatives from any place in India to any other place in India during his term of office as such Member, subject to a maximum of thirty-four such journeys per year.

2. From the above mentioned provisions, it is observed that a Member of Parliament is entitled to travel by air for each single journey performed by him, either alone or along with spouse or any other number of companions or relatives whereas, a Minister can avail this facility either for himself or for his family members only.

3. In order to remove this discrepancy in the entitlement of Ministers to travel facilities, it is proposed to amend sub-section (1A) of section 6 of the Salaries and Allowances of Ministers Act, 1952 so as to allow the spouse or legitimate or step children residing with or wholly dependent on the Minister to travel on their own or with the Minister but to allow the companions or relatives of the Ministers to travel only with the Minister, subject to a maximum of forty-eight fares only.

4. The Bill seeks to achieve the above object.

NEW DELHI;  
*The 11th December, 2009.*

P. CHIDAMBARAM.

## FINANCIAL MEMORANDUM

Clause 2 of the Bill proposes to amend sub-section (1A) of section 6 of the Salaries and Allowances of Ministers Act, 1952. As no change is proposed in the amount of entitlement permissible during each year in the said sub-section (1A) of section 6, the proposed amendment does not involve any additional expenditure from the Consolidated Fund of India.

P.D.T. ACHARY,  
*Secretary-General.*